

8 August 1984

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: SA/DCI/IA

SUBJECT: NFIB Meeting, 9 August 1984

1. You are scheduled to preside over an NFIB meeting this Thursday, 9 August, from 2:00 to 3:00 p.m. There are three estimates on the agenda. These are:

- India/Pakistan: The Likelihood of Hostilities (SNIE 31-32-84). This estimate can be found at TAB A. The responsible NIO is Graham Fuller and his talking points precede a copy of the SNIE.
- Soviet Policy Toward the US in the Short Term (SNIE 11-9-84). This estimate is at TAB B. The responsible NIO is Fritz Ermarth and talking points that he has prepared for you precede the estimate.
- Outlook for the Palestinians (NIE 36.11-84). This estimate is at TAB C. The responsible NIO is Graham Fuller and his talking points precede the estimate.

2. I've listed the India/Pakistan SNIE first so that you can immediately come to grips with the issue of the Soviet role; with that in hand, the SNIE on Soviet policy toward the US can be made to conform.

3. If there is anything else I can do for you for this meeting, please call.



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PROPOSED TALKING POINTS

SNIE 11-9-84: " SOVIET POLICY TOWARD THE UNITED STATES IN 1984",
NFIB MEETING 9 August 1984

Bud McFarlane asked for a quick estimate on the likelihood of the Soviets taking near-term hostile initiatives against us, and the possibility that the Soviets might be gearing up militarily for a major confrontation.

We decided to do this in the context of an overall assessment of current Soviet policy toward the US.

The main judgments about current and near-future Soviet policy are not in dispute:

The USSR sees the US under the current administration as a major challenge to its interests and expansionist ambitions.

Its current policy of predominant hostility and inflexibility, coupled with hints of willingness to move on bilateral and some arms issues, is designed to keep the Administration on the defensive and to elicit concessions, especially in this political season.

The ASAT/space initiative is a clear example of their larger strategy. Prospects for talks are low, but not zero.

The current Soviet policy line is likely to continue through the rest of the year and into 1985.

Without any basic change of policy, the Soviets could act in ways that give the US real trouble in crisis regions. The two most threatening cases are:

Central America: The Soviets expect an insurgent offensive in El Salvador, even if only moderately effective, to hurt the administration politically. A majority of agencies believe it likely that the Soviets will introduce L-39 trainers into Nicaragua, as a step toward later introduction of MiGs. [INR has reserved on this; we'll have their position before NFIB]. One variant overlooked by the SNIE must be addressed: If the Soviets successfully send in L-39s in August, they might quickly send in MiGs before November, expecting US politics to inhibit a response.

Pakistan: If the Indians attack Pakistan, the Soviets are likely to exploit the situation to end Zia's support for the Afghan resistance and cut the US-Pakistan relationship. All agree the Soviets are likely to gain from an Indo-Pak war. [The NIO believes they are probably encouraging one; a majority of agency reps believe this is unlikely, however.]

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Near-term confrontational moves by the Soviets are unlikely in the Gulf, although the situation remains very volatile, and are unlikely in Berlin, although the Soviets might do more to test the West.

We judge that the Soviets are not preparing their military forces for major confrontational or aggressive operations in the near-term.

Nor are they at all likely to switch to a policy of real cooperation and detente on terms the US would find satisfactory.

Key Judgments will be published separately and are, therefore, a bit more developed than usual. They could be shared with allies unless the unavoidably political focus of many of the judgments would make this unwise. [Guidance from NSC and State should be sought on this.]

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Proposed Talking Points

SNIE 31/32-84: India/Pakistan: Likelihood of Hostilities

This estimate was prepared in response to a growing concern in the Community over the likelihood of several major factors in the subcontinent coming together to create a crunch for Pakistan: Pakistan's pursuit of a nuclear weapon, the challenge that this poses to India, Soviet determination to end Pakistan's support for the insurgency in Afghanistan, and the Indian perception that the insurgency fuels Western military, economic and diplomatic support to Pakistan. This crunch has been clear to us for a long time in general terms, but more recently we have begun to acquire evidence in support of the hypothesis.

In this estimate the Community has concluded that:

- India will find it impossible to live with a nuclear armed Pakistan without possessing such weapons itself.
- India will probably launch its own nuclear weapons program in face of the Pakistani threat if it does not take direct military action against Pakistani military facilities.
- The distinct risk of an Indian strike has recently increased in view of an Indian intelligence assessment of Pakistan's long-range nuclear strategy.
- An Indian preemptive strike would almost certainly lead to a general Indo-Pak war.
- The Soviets would support an Indian preemptive strike.
- We do not believe that the USSR and India will jointly attack Pakistan. Although both share many common interests towards Pakistan, both countries would like to avoid the appearance of collusion. Soviet and Indian interests would both be better served by India acting alone and avoiding "East-West overtones" implied by joint action.

No release of this estimate to foreign governments is planned.

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Proposed Talking Points

NIE 36.11-84: Outlook for the Palestinians

This NIE was initiated by the NIO/NESA to review the status of the Palestinian issue in the wake of the Israeli invasion of Lebanon and examine the prospects for the PLO as a result of the rebellion against PLO chief Arafat that broke out in 1983.

The community concluded that:

- For a variety of reasons, there is almost no prospect for movement on the peace process in the coming months.
- Arafat's position as head of the PLO is secure, but his overall influence has declined sharply.
- There is a chance that the Palestinian movement will, as a result of growing frustration, move in a more radical direction in the near term.

There were no dissenting positions taken in this estimate.

The principal drafter was CIA/DDI/NESA

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No release of this estimate to foreign governments is planned.

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